



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 412

Chairperson: Elaine Stuhr
Committee: Nebraska Retirement Systems
Date of Hearing: January 27, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 412 would make changes to the Nebraska State Patrol Retirement System. The legislative proposal would temporarily increase for two years the retirement contribution rates for both the employee and employer. Following the two-year period, the rates would decrease but would remain higher than the contribution rates now set to begin on July 1, 2005.

LB 412 would make changes to Neb. Rev. Stat. § 81-2017, and would increase the retirement contribution rates for an employee from 12% to 13%, and for the employer from 12% to 15%. This two-year period for each increase would begin on July 1, 2005 and would end on June 30, 2007. On July 1, 2007, the retirement contribution rates would decrease for an employee from 13% to 12%, and for the employer from 15% to 13%.

Without changes to current law, the retirement contribution rates are set to decrease on July 1, 2005, from their current rate of 12% for both the employee and employer, to 11% for both the employee and employer.

The purpose for an increased employee and employer retirement contribution rate is because the State actuary has indicated that there is a need for an additional contribution requirement of approximately 4.19% of pay, which represents \$948,654. It is anticipated that such rate increase will be offset by an increase in an employee's annual salary.

Principal Introducer:

Elaine Stuhr, Chairperson
Committee on Nebraska Retirement Systems